

## Message Text

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ACTION EA-14

INFO OCT-01 ISO-00 AGR-20 CEA-02 CIAE-00 COME-00 DODE-00

EB-11 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06 NSAE-00

NSC-10 PA-04 RSC-01 AID-20 CIEP-02 SS-20 STR-08

TAR-02 TRSE-00 USIA-15 PRS-01 SPC-03 OMB-01 SCEM-02

DRC-01 /170 W

----- 062443

R 101125Z JAN 74

FM AMEMBASSY BANGKOK

TO SECSTATE WASHDC 9625

INFO AMEMBASSY PHNOM PENH

AMEMBASSY SINGAPORE

AMEMBASSY MANILA

LIMITED OFFICIAL USE BANGKOK 0534

E.O. 11652: NA

TAGS: ECON EFIN TH

SUBJ: ARTICLE 17 INVOKED AGAINST HOARDING

1. BEGIN UNCLASSIFIED. IN THE FACE OF A NEW UPWARD SURGE IN PRICES, FOR A WIDE RANGE OF ITEMS OF DAILY NECESSITY, INCLUDING THOSE MADE IN THAILAND, THE CABINET ON JANUARY 8 INVOKED ARTICLE 17 OF THE INTERIM (THANOM) CONSTITUTION. AFTER A 12 PERCENT INCREASE IN THE FIRST HALF OF 73, THE PRICE LEVEL STABILIZED IN MID-73 BUT THE PAST TWO MONTHS HAVE SEEN A RENEWED AND SHARP UPWARD MOVEMENT. THE CONSUMER PRICE INDEX FOR FULL YEAR 1973 WAS UP OVER 14 PERCENT.

2. AS INDICATION OF SANYA GOVERNMENT'S CONCERN OVER THIS DEVELOPMENT, COMMERCE MINISTRY HAS BEEN GRANTED THE VERY EXTENSIVE ARTICLE 17 AUTHORITY TO CRACK DOWN ON HOARDERS, WHO ARE BLAMED FOR CONTRIBUTING TO (OR BY LIMITED OFFICIAL USE

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SOME FOR CAUSING) THE SHARP INCREASE IN PRICES IN THE

PAST TWO MONTHS OF SUCH KEY CONSUMER ITEMS AS COOKING OIL, DETERGENTS, AND FOOD SEASONINGS. ACCORDING TO THE NATION'S REPORT OF AN INTERVIEW WITH DEPUTY COMMERCE MINISTER CHAROON:

"THE MINISTRY WILL LAUNCH LIGHTNING RAIDS ON SUSPECTED HOARDERS, CONFISCATE THE STORED-UP COMMODITIES AND PUT THEM ON PUBLIC SALE TO BRING DOWN THE PRICES OF SEVERAL ITEMS OF DAILY NECESSITIES WHICH HAVE RECENTLY SHOT UP TO EXORBITANT HEIGHTS.

"THE REVENUE DEPARTMENT WILL ALSO TAKE UP ITS DRASTIC MEASURE BY CHECKING INTO THE TAX-PLAYING (SIC) RECORDS OF LARGE-SCALE BUSINESS SUSPECTED OF HAVING DISRUPTED THE COUNTRY'S ECONOMY THROUGH SELFISH HOARDING." END UNCLASSIFIED.

3. BEGIN LIMITED OFFICIAL USE. REAL BURDEN OF PRICE INFLATION HAS BEEN BORNE BY LOW-INCOME URBAN WORKERS, INCLUDING THE LOWER LEVELS OF THE THAI CIVIL SERVICE. FAILURE TO CHECK THE TREND WOULD CLEARLY RUN THE RISK OF A NEW OUTBREAK OF STRIKE ACTIONS. EMBASSY DOUBTS THAT ARTICLE 17 POWERS WILL BE USED TO FULL EXTENT AUTHORIZED AND ASSUMES THAT MINISTRY OF COMMERCE ALSO HOPES MERCHANTS WILL COOPERATE WITHOUT HAVING TO BE PUT IN JAIL. SITUATION MAY ALSO IMPROVE ONCE CHINESE NEW YEAR IS OVER TOWARD END OF JANUARY. END LIMITED OFFICIAL USE.  
KINTNER

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NNN

## Message Attributes

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